

STATE OF HAWAII — DEPARTMENT OF TAXATION
WHOLESALE AMUSEMENTS DEDUCTION WORKSHEET
Do NOT file this worksheet with the Department of Taxation. Keep it for your records.
SEE SPECIFIC INSTRUCTIONS

This form is no longer used for wholesale sales of tangible personal property or services. Report wholesale sales of tangible personal property on the Wholesaling activity line of Forms G-45 and G-49. Report wholesale sales of services on the Wholesale Services activity line of Forms G-45 and G-49.

COMPUTATION OF QUALIFIED WHOLESALE SALES OF AMUSEMENTS DEDUCTION:

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|---|-------|
| 1. Total gross income received from qualified sales of amusements at wholesale as provided under §237-4(a)(13), HRS..... | _____ |
| 2. Rate used for computing the deduction | .875 |
| 3. Multiply line 1 by line 2. This is your maximum allowable deduction. Enter this amount on Schedule GE (Form G-45 /G-49) and identify this amount as " <i>§237-4(a)(13) Deduction</i> ". Also enter this amount as part of the deductions claimed on Form G-45 or G-49 column b for the Theater Amusement and Broadcasting activity. | _____ |
| 4. Enter the amount included on line 1 that is assigned to the Oahu Taxation District. | _____ |
| 5. Factor | 0.125 |
| 6. Multiply the amount on line 4 by 0.125. Also enter this amount in the county surcharge section of Schedule GE (Form G-45/G-49)..... | _____ |

GENERAL INSTRUCTIONS

NOTE: Section 237-4(a)(13), HRS, reduces the "pyramiding" effect for amusements transactions. Use this worksheet to calculate the amount of the deduction to claim on your monthly, quarterly, semi-annual, or annual general excise tax return to result in an effective tax rate of ½ of 1% for qualifying sales of amusements.

Qualified sales of amusements to a licensed seller engaging in a business or calling whenever:

- (A) Either:
- (i) In the context of an **amusement-to-service** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
 - (ii) In the context of an **amusement-to-tangible personal property** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or
 - (iii) In the context of an **amusement-to-amusement** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person's amusement business;
- (B) The benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, property to be sold, or amusement;
- (C) The cost of the amusement does not constitute overhead to the licensed seller;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person ren-

dering an amusement for imposition of the general excise tax;

(E) The gross income of the licensed seller is not subject to a deduction under the general excise tax; and

(F) The resale of the service, tangible personal property, or amusement is subject to the general excise tax at the highest rate.

"Amusement" means entertainment provided as part of a show for which there is an admission charge.

"Overhead" means continuous or general costs occurring in the normal course of a business, including but not limited to costs for labor, rent, taxes, royalties, interest, discounts paid, insurance, lighting, heating, cooling, accounting, legal fees, equipment and facilities, telephone systems, depreciation, and amortization.

PURPOSE OF THIS WORKSHEET

Use this worksheet to calculate the amount of the deduction to claim on your monthly, quarterly, semi-annual, or annual general excise tax return to result in an effective tax rate of ½ of 1% for qualifying sales of amusements.

This worksheet is also used to compute the amount of a deduction to remove the gross receipts from wholesale amusements completely from the gross receipts subject to the county surcharge.

SPECIFIC INSTRUCTIONS

Line 1 — Enter the gross income received from providing amusements to a licensed seller where the benefit of the amusement passes to the customer of the licensed seller.

NOTE: The amusements rendered must become an identifiable element of the other service, property, or amusement

and cannot constitute overhead (see definition of "overhead").

Line 3 — Multiply line 1 by line 2. This is the amount of your deduction to enter on your monthly, quarterly, semi-annual, or annual general excise tax return. Enter this amount on Schedule GE (Form G-45/G-49) of the appropriate form you are filing. Identify this amount as "*§237-4(a)(13) Deduction*".

Also enter this amount as part of the deductions claimed in column b of the appropriate form for the Theater Amusement and Broadcasting activity.

Line 4 — Enter the amount included on line 1 that is assigned to Oahu.

Line 6 — Multiply the amount on line 4 by 0.125. Also enter this amount in the county surcharge section of Schedule GE (Form G-45/G-49), identified as "*Additional §237-4(a)(13) deduction*." Once entered in the county surcharge section of Schedule GE (Form G-45/G-49), this will serve to remove all of the wholesale amusements gross receipts from the gross receipts subject to the county surcharge.

Where to Get More Information — More information is available on the Department's website at www.hawaii.gov/tax or you may contact the customer service staff of our Taxpayer Services Branch at:

Voice: 808-587-4242

1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:

808-587-1418

1-800-887-8974 (Toll-Free)

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